

TO: Director David Ewer, Governor's Budget Office

FROM: Director Joan Miles, Department of Public Health and Human Services
Director Mike Ferriter, Department of Corrections

DATE: February 7, 2007

RE: Support for STEP with enhanced Community Based Mental Health Services

EXHIBIT 3

DATE 2-8-07

HB ✓

STEP is proposed to address a very acute need for offenders with mental illness. These offenders have been placed by the courts in our secure custody at Montana State Hospital or one of the state prisons and both of our departments face significant risks without this program. We need STEP. It serves a critical need for us both.

We have heard clearly that STEP may fail without further expansion to community-based mental health services in the coming biennium. We're surprised that this proposal appears to have sparked a competition and debate over the relative importance of one group of mentally ill Montanans over another. Still, we recognize the need to respond to the opponents of STEP.

As we have presented STEP, some advocates and lawmakers have viewed it as taking money away from community-based mental health services and have suggested that the resources devoted to STEP be directed to community programs instead.

The attached document provides some suggestions for expanding those community services that address some of the requests we've heard from advocates, lawmakers and others. It also outlines the significant list of proposals already contained in Gov. Schweitzer's budget.

Section A of the document contains suggested proposals for spending additional money on the mental health services plan and suicide prevention, access to medications for offenders leaving secure custody and the development of behavioral health inpatient facilities (BHIF). This menu offers choices that go above and beyond what already is contained the governor's budget.

We have carefully reviewed our budgets and revenue projections, and the right-hand portion of Section A identifies potential funding sources for this package of expanded services.

The proposals we have identified not only would support the offenders served by STEP as they transition into communities, but also would benefit the general population of mentally ill citizens and may help divert some individuals from the criminal justice system in the future.

Section B of the document identifies the numerous proposals for community services already in Gov. Schweitzer's budget. As you can see, over \$40 million in new funding is a significant commitment. It represents a balanced and transformative budget for mental health and chemical dependency services that has gone unnoticed in the debate over STEP. This well-crafted budget has been designed to move Montana toward consistent treatment practices, including use of medications, across the system.

Total funding, including the base, for community services is \$139.8 million in the next biennium and builds a solid foundation on which to transform our mental health-care system. This is not all the funding that is needed; it is a beginning that recognizes progress is required and worthwhile, even in measured steps.

The \$8.2 million in funding for mental health services in facilities should be kept in perspective. It represents just a fifth of the new spending already proposed for expanded community mental health services and only a tenth of the *total* proposed spending for community services.

Our support for STEP has not wavered in the face of the criticism it has attracted. STEP addresses a critical need to provide offenders with mental health treatment within our secure facilities. It enables us to improve management of our general populations, to share valuable resources and expertise, improve service delivery and reduce some significant risk factors including escape, staff or patient injury and potential lawsuits.

We are committed to STEP and to finding solutions that will provide effective treatment to this challenging population whether they are in secure custody or in a community setting. As always, thank you for your continued support of our efforts.

STEP plus - Options for Improved Community Mental Health Services

A

Suggested Proposals

Drop In Center/Peer Support
BHIF
Expand MHSP
Suicide Hotline
MH Counselors in Prerelease centers
Dedicated Prerelease beds*
RX benefit for released offenders**
Fund Service Area Authorities
Addl MH Staff in Secure Facilities/Transition

Total of all proposals

\$13.84

Community Liaison Officers***

\$0.29

Note: all amounts reflect biennial projections

* 60 beds @ addl \$10/day

** \$425/mo benefit - similar to MHSP x 25 SDMI

*** non-general fund -- not included in total

Potential Funding Sources

Child & Family Caseload Reductions
Medicaid Caseload Reductions
Therapeutic F.C.- Reduce DP
Corrections
DP 33410

\$11.40

Note: all amounts reflect biennial projections

* A portion of DP will be funded with tobacco tax interest

B

In addition, we have the following proposals in our current budget requests for the biennium

Meth and CD Expansion
72-Hour Crisis Services
MHSP Provider Rate Increase
Medicaid FMAP - MH
Medicaid Caseload - MH
Annualize HCBS Waiver
Medicaid Provider Rate Increase
CD Medicaid Provider Rate Increase
Medicaid FMAP - CD
Medicaid Caseload - CD
CD Non-Medicaid Provider Rate Increases
Strategic Prevention Framework State Incentive (Meth Prevention (OTO))
CD/MH Counselors in P & P Offices
P & P Officers w/specialized case load training
Total